



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill # HB0153

Title: Repeal tax abatements for gray water systems

Primary Sponsor: Hollandsworth, Roy

Status: As Introduced

- ☐ Significant Local Gov Impact
 ☐ Needs to be included in HB 2
 ☒ Technical Concerns
☐ Included in the Executive Budget
☐ Significant Long-Term Impacts
☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$97	\$97	\$97
State Special Revenue	\$0	\$6	\$6	\$6
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$97</u>	<u>\$97</u>	<u>\$97</u>

Description of fiscal impact: HB 153 repeals the gray water system tax abatement. The impact to state revenue is minimal.

FISCAL ANALYSIS

Assumptions:

Department of Revenue

- Current law allows for a property tax abatement for property with gray water systems which reduces to 91% of the assessed value such property during construction, and for up to 10 years after construction.
- In FY 2015, there are few taxpayers that receive this abatement.
- Under HB 153, taxpayers would no longer receive these abatements.
- In TY 2014, a taxable market value of \$457,560 received this abatement. The abatement results in a reduction in taxable market value of \$41,180 (value is reduced to $(\$457,560 * 91\% = \$416,380)$).
- The taxable value reduction would be \$1,017 ($2.47\% \times \$41,180$). The change would increase the state general fund 95 mill revenue and the 6 mill university state special revenue fund. The general fund increase would be \$97 ($\$1,017 \times 0.095$) and state special revenue \$6.

Fiscal Note Request – As Introduced

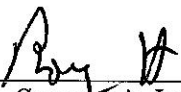
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6. The bill has no effective date so the bill would become effective on October 1, 2015, thus increasing TY 2016 property taxes. TY 2016 property taxes are received in FY 2017.

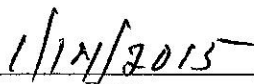
<u>Fiscal Impact:</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Department of Revenue				
<u>Expenditures:</u>				
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$97	\$97	\$97
State Special Revenue (02)	\$0	\$6	\$6	\$6
TOTAL Revenues	<u>\$0</u>	<u>\$103</u>	<u>\$103</u>	<u>\$103</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$97	\$97	\$97
State Special Revenue (02)	\$0	\$6	\$6	\$6

Technical Notes:

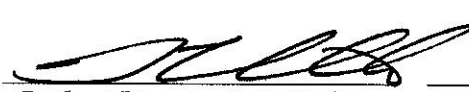
1. The bill has no effective date so the bill would become effective on October 1, 2015 and would first change property tax valuation on the January 1, 2016 assessment date (TY 2016).



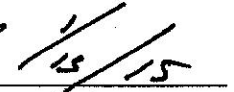
Sponsor's Initials



Date



Budget Director's Initials



Date